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MEDIUM-TERM PROGRAMME FRAMEWORK, 2004-2007

Revised proposals of the Director-General

Provides information on proposed activities in the forthcoming medium-term programme framework period, 2004-2007.

Introduction

1. The present note is submitted in accordance with Industrial Development Board decision IDB.26/Dec.7, adopted at the twenty-sixth session, which requested the Director-General to take the strategic guidelines "Towards improved UNIDO programme delivery", adopted by the Board at the same session, fully into account when developing his proposals for the medium-term programme framework (MTPF), 2004-2007. As such, it follows upon the proposals submitted by the Director-General to the Board at its twenty-sixth session through the Programme and Budget Committee in document IDB.26/8-PBC.18/9, in accordance with General Conference decision GC.2/Dec.23, as subsequently amended in decision GC.6/Dec.10. The note also complies with paragraph (b) (v) d of decision GC.2/Dec.23, which requests the Director-General to indicate a general ceiling for the biennium 2004-2005 based on anticipated resources and on programme activity.

I. BACKGROUND—THE BUSINESS PLAN AND THE STRATEGIC GUIDELINES

2. The underlying programmatic objectives and priorities of UNIDO are given in the Business Plan on the Future Role and Functions of UNIDO endorsed by the General Conference in resolution GC.7/Res.1, and reaffirmed by the General Conference in resolution GC.9/Res.2 on the MTPF, 2002-2005.

3. While continuing to recognize the validity of the Business Plan as a basis for the organizational and programmatic transformation of UNIDO, the Board adopted the strategic guidelines "Towards improved UNIDO programme delivery" at its twenty-sixth session in November 2002 (IDB.26/Dec.7). Initially proposed by Japan, the guidelines were finalized over a period of several weeks through closely coordinated and concerted efforts of Member States. They are intended to provide the Organization with a framework for further focusing its technical cooperation and global forum

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activities on producing practical and useful deliverables in areas where it has a comparative advantage. In particular, they were intended to point the way for the implementation of the MTPF for 2002-2005, the formulation of the MTPF for 2004-2007, and the preparation of the programme and budgets for 2004-2005. Detailed information on the implementation of the MTPF for 2002-2005 is provided in document IDB.27/16.

4. Since the adoption of the strategic guidelines, UNIDO has made strenuous efforts to comply with their stipulations. These efforts include ongoing reviews of the technical cooperation services provided by UNIDO, the relationship between the Organization's technical cooperation and global forum activities, and its field representation. These reviews were initiated by the Director-General after the Board of Directors' retreat in February 2003 and are being conducted by specially-constituted working groups of senior staff under the chairmanship of the Managing Directors. (An information note with the summary of discussions and recommendations from the Board of Directors' retreat, which represented a first organizational response to the strategic guidelines, was circulated to Permanent Missions on 10 April 2003.) Furthermore, as pointed out in document IDB.27/17, the strategic guidelines were issued as a booklet in March 2003 and distributed to UNIDO staff with a foreword by the Director-General stressing that all staff should fully understand the guidance given by the Member States in the strategic guidelines so that UNIDO could fully meet their expectations. Meanwhile, due attention to the requirements of the strategic guidelines was also given in the drafting of the programme and budget proposals, 2004-2005, which address all the principal issues contained in the guidelines and were recommended by the Programme and Budget Committee for adoption by the Board.

II. FORMULATION OF THE MEDIUM-TERM PROGRAMME FRAMEWORK, 2004-2007

5. A comprehensive proposal for the MTPF for 2004-2007 will be presented to Member States for their deliberation at the tenth session of the General Conference. While the precise content of the MTPF will be contingent upon the outcomes of the review process currently being undertaken by UNIDO as described above, its formulation will be based on the Business Plan and the strategic guidelines. In addition, due account will be taken of the evolving objectives and priorities of the international development agenda, as given by the Millennium Development Goals (MDGs) and the related decisions taken by the international community in recent years at such conferences as the Third United Nations Conference on the Least Developed Countries (LDC III) held at Brussels in May 2001, the International Conference on Financing for Development held at Monterrey in March 2002, and the World Summit on Sustainable Development held at Johannesburg in August-September 2002.

6. The substantive adjustments currently being made by UNIDO to the content of its services in response to the strategic guidelines and the shifts in the global development objectives will help the Organization to improve the coverage, efficiency and effectiveness of these services, and to ensure the Organization's continued responsiveness to the changing industrial development requirements of its client countries. In order to ensure a degree of continuity, however, these services will continue to be provided within the framework of the existing eight service modules established under the MTPF for 2002-2005:

(a) Industrial governance and statistics;

(b) Investment and technology promotion;

(c) Quality and productivity;

(d) Small business development;

(e) Agro industries;

(f) Industrial energy and Kyoto Protocol;

(g) Montreal Protocol;

(h) Environment management.

7. Similarly, UNIDO will continue to use the two established vehicles for providing these services:

(a) Integrated programmes (IPs) or country service frameworks (CSFs), where a selection of service modules is employed in a coherent and mutually reinforcing manner to assist client countries in overcoming their critical industrial development problems;

(b) Stand-alone projects involving only one or two service modules.

8. In addition, the concept of "thematic initiatives" launched in 2002-2003 will continue to be further developed where appropriate to bring together a number of related services to address particular developmental challenges within the context of either IPs/CSFs or stand-alone projects. The issues addressed by such initiatives launched to date comprise:

(a) Strengthening the supply capacity of developing countries and transition economies by helping them to meet quality and standards requirements and overcome other technical barriers to trade,

and thus to access international markets. This initiative was launched at the International Conference on Financing for Development in Monterrey in March 2002. Projects to operationalize this initiative have been developed, inter alia, for Central America, the SAARC region, and the Mekong Delta region;

(b) Supporting the industrial rehabilitation of countries emerging from crisis situations. This initiative is being piloted with a regional project for the rehabilitation of industrial enterprises in Afghanistan, with the collaboration of Iran and Pakistan;

(c) Promoting the availability of rural energy from renewable sources for productive use. This initiative was launched at the World Summit for Sustainable Development in Johannesburg in September 2002 and is being operationalized in a number of areas, including a micro-hydropower project in the rural areas of Mali and another micro-hydropower project in the Amazonian region of Ecuador.

9. The resources required for the implementation of the first phase of the MTPF for 2004-2007 have already been presented in the proposed programme and budgets for 2004-2005 (IDB.27/3-PBC.19/3).

III. ACTION REQUIRED OF THE BOARD

10. The Board may wish to take note of the information contained in the present document.